

November 20, 2006

Dawn Philibert
Mental Health Systems Development Director
Division of Mental Health
Vermont Department of Health
108 Cherry Street
Burlington, Vermont 05402

RE: Letter of Intent to construct a facility

Dear Dawn,

This letter is being written as a "Letter of Intent" for Rutland Mental Health Services, Inc. to construct a 15,000 square foot addition to our main administrative facility at 78 S. Main St. in Rutland, Vermont. This building would be used to house all Developmental Disability programs for our Community Access Program. We plan on finishing only the first two floors of the building which will give us 10,000 usable square feet to replace two rented facilities totaling less than 8,000 square feet. These rented facilities are currently located at the Howe center in downtown Rutland. Although the space has met our needs in the past, we have outgrown the facility and perhaps most importantly, we have been concerned about the fact that staff, consumers and families must cross an active train rail, which at times has blocked one of the two means of access/egress from the Howe Center.

We have engaged the architectural services of Nimtz, Berryhill and Fiegel to design a facility that would provide full handicap accessibility including an entrance protected from snow and rain. They have estimated a cost, with contingencies and fees, of just under \$2.9 million for the project. Our intent would be to finance the project with a long term low interest bond. We are hoping to join other mental health/designated agencies for an issuance sometime in the Summer of 2007. Pending approval from the City of Rutland and the State, we hope to put the project out to bid this winter and begin construction in the Spring/Summer of 2007.

We have drawings available and we will include those with the application you sent to us recently. If you need any other information for this letter of intent, please let me know.
Thank You.

Sincerely,

Thomas J. Pour
VP of Operations/CFO